

REPRODUCTION AUTHORIZED

Brussels, 15 May 1973

No. 139

** THE INCOME PER CAPITA IN THE COMMUNITY'S MOST NEGLECTED REGIONS is still lower by a factor of about five than in the richest areas. The Community's continued expansion since its creation has thus not succeeded in eliminating disparities between regions.

In response to the invitation of the heads of state or government of the Member States of the Community, who at the Paris Conference in October 1972 emphasized the need to correct this imbalance, which threatened the achievement of economic and monetary union, the European Commission recently presented a report on REGIONAL PROBLEMS IN THE ENLARGED COMMUNITY. A summary of this report can be seen in ANNEX 1.

** The convention creating a COMMUNITY PATENT could be signed by the Member States in May 1974 and come into force in 1976, at the same time as the initial convention setting up a European system for granting patents. Community experts have recently put the finishing touches to the draft of this second convention on the Euro (Community)-patent. For further details see ANNEX 2.

ANNEX 3 contains a selection from the RECENT PUBLICATIONS acquired by the Scientific and Technical Library of the Commission of the European Communities. These can be consulted on the premises (1, avenue de Cortenberg, 1040 Brussels, Office Loi, 1/43) or taken out on loan.

This bulletin is published by the Directorate General Press and Information of the Commission of the European Communities

For further information please apply to the

Commission of the European Communities
Directorate-General for Press and Information
Division for industrial and scientific information
200, avenue de la Loi
1040 Brussels - Tel. 3500 40

or any of the Information Offices of the European Communities (list inside cover)

The information and articles published in this Bulletin concern European scientific cooperation and industrial development in Europe. Hence they are not simply confined to reports on the decisions or views of the Commission of the European Communities, but cover the whole field of questions discussed in the different circles concerned.

PRESS AND INFORMATION OFFICES OF THE EUROPEAN COMMUNITIES

1 BERLIN 31
Kurfürstendamm 102
tel. 886 40 28

GENEVA
72, rue de Lausanne
tel. 31 87 30

LUXEMBOURG
Centre européen du Kirchberg
tel. 479 41

ROME
Via Poli, 29
tel. 68 97 22 à 26

53 BONN
Zitelmannstraße 22
tel. 22 60 41

THE HAGUE
22, Alexander Gogelweg
tel. 33 41 23

NEW YORK 10017
277 Park Avenue
Tel. 371-3804

SANTIAGO DI CHILE
Edif. Torres de Tajamar-Apt.
Torre A, Casilla 10093
Avda Providencia 1072
Tel. 43872

1040 BRUSSELS
200, rue de la Loi
tel. 35 00 40

LONDON SW 1
23, Chesham Street
tel. 235 4904/07

PARIS 16e
61, rue des Belles-Feuilles
tel. 553 53 26

WASHINGTON, D.C. 20037
2100 M Street, N.W.
Suite 707
tel. (202) 296-5131

** On 11 May, the European Parliament approved the proposal for the Directive concerning SAFETY GLASS FOR MOTOR VEHICLES which had been drawn up by the European Commission in September 1972 (see IRT No. 153). However, the Parliament would prefer this Directive, which would make it mandatory to fit motor vehicles with laminated-glass windshields, to come into force in 1974 and not on 1 October 1976 as proposed by the Commission.

** INTRA-COMMUNITY TRADE in 1972 grew by 13% to 55,992.6 million u.a. Community EXPORTS to non-member countries increased by 12% over 1971, thus totalling 56,680.9 million u.a. Community IMPORTS from non-member countries rose by 7% to 52,525.7 million u.a. In 1972 there was thus a trade balance surplus of 4,155 million u.a. (as compared with a surplus of 1,571 million u.a. in 1971).

(N.B. A European unit of account is roughly equivalent to one pre-devaluation US dollar.)

The salient statistics of the Community's external trade in 1972 are summarized in the following table:

(in millions of u.a.)

Destination/ origin	Exports	% change on 1971	Imports	% change on 1971
Intra-Community			55,992.6	+ 13
Extra-Community	56,680.9	+ 12	52,525.7	+ 7
Industrialized countries	37,661.8	+ 12	29,607.0	+ 6
Developing countries	13,994.2	+ 8	18,900.3	+ 7
State-trading countries ¹	4,482.6	+ 19	3,969.4	+ 13
UK	5,766.9	+ 28	4,835.1	+ 10
Iceland	54.2	- 6	28.1	+ 19
Ireland	290.3	+ 13	237.9	+ 96
Norway	1,005.1	+ 6	753.2	- 3
Sweden	2,500.3	+ 11	2,220.0	+ 5
Finland	770.5	+ 10	614.4	+ 5
Denmark	1,529.4	+ 8	879.0	+ 9
Switzerland	4,966.6	+ 11	2,287.0	+ 7
Austria	2,903.7	+ 18	1,320.7	+ 10
Portugal	657.7	+ 8	249.7	+ 14
Spain	2,023.8	+ 27	1,387.2	+ 22
Yugoslavia	1,357.1	- 4	894.9	+ 28
Greece	1,158.8	+ 15	471.7	+ 25
Turkey	615.5	+ 32	348.1	+ 11
USSR	1,344.0	+ 20	1,122.7	+ 3
USA	8,321.0	+ 8	8,585.0	- 4
Canada	1,020.6	+ 8	1,087.8	- 9
Japan	1,079.9	+ 15	1,876.2	+ 22

¹Excluding trade between West and East Germany

** About a hundred heads of European research institutes attended a meeting held in Rotterdam by the Committee of Directors of Research Associations (CDRA, London) on 25-27 April. The aim of the meeting, which was held in collaboration with the TNO (Netherlands), was to examine the desirability of COLLABORATION BETWEEN INDUSTRIAL RESEARCH INSTITUTES ON A COMMUNITY BASIS. Mr Schuster, Director-General for Research, Science and Education at the European Commission, and the official representative of this institution, summarized the Community's scientific policy. The Commission agreed to compile a register of all research institutes in the Community.

The meeting decided to ask a Working Party comprising one representative from each of the Community Member States to examine the feasibility of collaboration between industrial research institutes on a Community basis and to report within twelve months at a subsequent meeting of the CDRA.

** As part of the policy of COOPERATION WHICH IS DEVELOPING BETWEEN THE COMMUNITY AND THE ANDEAN NATIONS (Bolivia, Chile, Colombia, Ecuador, Peru and Venezuela) and because of the interest shown by Community industrial undertakings in the possibility opened up for them of participating in the development of these countries, and more especially in the implementation of the programme for the mechanical and electrical engineering industries (see IRT No. 179), the Commission has undertaken to facilitate contacts between Community firms and the authorities in the Andean nations.

For the moment the European Commission will restrict itself to the role of a mere intermediary, passing on information and documents from the Andean nations to industrial undertakings desiring them and, where appropriate, assisting anybody wishing to contact the authorities in these countries directly. Interested European companies may contact the Directorate-General for Industrial and Technological Affairs of the Commission of the European Communities (Division III D 1), 200, rue de la Loi, 1040 Brussels.

**** According to forecasts, the GROSS CONSUMPTION OF ELECTRICITY will rise on average by 7.5% a year during the period 1970/85. Bearing in mind the balance on exchanges, this means an increase in gross production of 7.6% a year and a corresponding expansion of installed capacity from 144 GW in 1970 to 204 GW in 1975, 294 GW in 1980 and 417 GW in 1985 (1 GW or gigawatt = 1,000,000 kilowatts).**

Over the same period, nuclear generating capacity is expected to increase from 3.4 to at least 100 GW by 1985, i.e., about 25% of the total installed capacity in the Community, and account for about 33% of its gross electrical energy production (see IRT No. 161).

About fifty-five months seems to be the current minimum period between the designing and placing into service of a nuclear power plant, but in certain cases this could be extended considerably, namely, to roughly nine years.

These figures were recently quoted by the European Commission in an answer to a written question from Mr Springorum, a Member of the European Parliament, concerning Community energy supplies. In this answer the Commission also drew attention to the guidelines which it has recommended for the implementation of a Community energy policy (see IRT Nos. 160 and 137).

With regard more particularly to trends on the OIL MARKET, the European Commission pointed out that in 1980 the shortfall in crude production in the United States could amount to as much as 600 million tons, thus representing 50% of the country's oil consumption, and that it was also probable that over the next decade the USSR would tap the Middle East's oil reserves while itself continuing to export oil to other markets.

Since at the same date the enlarged Community will need about a thousand million tons of imported oil and Japan will need roughly 500 million tons, it is clear that serious problems will arise, but

the Commission feels that in view of the proven and indicated reserves in the major exporting regions, supplies to the Community will not be threatened in quantitative terms provided everything is done to ensure that the investments needed to underpin this extra production, particularly in the Middle East, are forthcoming. However, there can be no doubt that the changed market situation will affect oil supply costs.

- ** The EUROPEAN UNION OF SCIENTIFIC JOURNALISTS' ASSOCIATIONS has elected Mr Nicolas Skrotzky (France, FRANCE SOIR), to be its chairman and Mr Heinz Rieger (Germany, DPA) to be its vice-chairman.

The European Union of Scientific Journalists' Associations groups together the national associations of scientific journalists of Austria, Belgium, France, Germany, Italy, the Netherlands and the United Kingdom; its prime objective is to draw the attention of the national and international authorities, men of science and, in more general terms, public opinion as a whole, to the desirability of developing scientific and technological information services.

- ** The first international symposium on CAMAC in REAL-TIME COMPUTER APPLICATIONS will be held in Luxembourg on 4-6 December 1973, under the joint sponsorship of the Commission of the European Communities and the Esone Committee.

CAMAC is a scheme for connecting numerical computers to data collection and control units in on-line systems in order to encourage the use of common techniques and ensure compatibility between both the hard and software which can be used in various fields.

During this symposium, descriptions will be given of CAMAC applications in the fields of laboratory automation, data collection in medical and health services and industrial monitoring. CAMAC systems and equipment will be on exhibition.

A REGIONAL POLICY FOR THE COMMUNITY

The income per capita in the Community's richest regions is still about five times as high as in the most neglected areas. The Community's continued expansion since its creation has thus not succeeded in ironing out disparities between regions.

At the Paris Summit conference in October 1972, the Heads of State or Government of the Member States of the Community emphasized the need to correct this imbalance, which threatened to have an adverse effect on the achievement of economic and monetary union, and to seek a Community-wide solution. They undertook to coordinate their regional policies and called upon the European Commission to draw up a list of the Community's regional problems and to make appropriate proposals. They also asked for a regional development fund to be set up by 31 December 1973 (see IRT No. 181).

In response to this call, the European Commission recently issued a report on regional problems in the enlarged Community. Towards the end of June 1973 it will make specific proposals concerning the Regional Development Fund and the Regional Development Committee.

Regional problems in the enlarged Community1. The current situation

The Treaty of Rome called for continuous, balanced expansion. Although the Community of the Six has achieved a high rate of growth (the increase in the GNP averaged 5.4% annually between 1960 and 1970) this growth has been neither uniform nor geographically balanced. Certain regions have continued to be typified by structural underemployment and a high level of unemployment, while in many others the solution adopted has been to move away from them.

Although in certain cases Community funds have been put to good use in the regions, the Community has never conducted an overall regional policy which has been shown to be necessary.

2. Ethical, ecological and economic reasons for a regional policy

The narrowing of the gaps between the various regions and the development of the more neglected areas is one of the basic objectives of the Treaty of Rome. No community can survive or be meaningful to its constituent peoples as long as some of them live under conditions very different from the rest and are unconvinced of the collective will to achieve a more just distribution of resources.

The constant improvement of living and working conditions is another basic objective of the Treaty of Rome. The Community's regional policy is concerned not only with regions characterized by relative poverty, unemployment and forced migration but also with the inhabitants of large, overpopulated conurbations and with an impoverished environment. Thus the setting-up of the Regional Development Fund must not be regarded as a subsidizing of the poorer regions by their richer counterparts. It will in fact help to enhance the latter's own quality of life. The efforts to develop regions in difficulties must include measures aimed at offering disincentives to industrial expansion in regions which are already saturated and ensuring that industry is decentralized in a manner beneficial to all.

An efficiently conducted regional policy is, indeed, a good investment not only from a social but also from an ecological and economic standpoint: unbridled congestion and migration are more costly than positive action aimed at the balanced development of the regions.

3. Regional imbalance

The underlying reasons for regional imbalance can be traced back to the absence in certain regions of up-to-date economic activities or to the excessive dependence of a region upon backward agricultural activities or declining industries which are no longer able to yield sufficient productivity, income or a high enough level of employment to compensate for the absence of substitute activities.

A relatively low per capita income, structural underemployment, a permanently high level of unemployment and large-scale emigration are some of the criteria for judging regional imbalance. However, these are not always enough, i.e., where national governments grant aids to production in favour of declining industries in order to maintain sufficiently high levels of employment and income, structural employment is not normally recorded in the statistics, but may nevertheless constitute a major problem.

4. Guidelines for a Community regional policy

The Community regional policy cannot be a substitute for the national policies but must complement them, so as to reduce the major disparities throughout the Community, both by promoting the development of the poorer regions and by endeavouring to lessen the excessive concentration of economic activities in overpopulated regions.

In order to succeed, the Community regional policy will not only act via new incentives and disincentives but will also coordinate the various common policies and make use of existing financial instruments at a Community level. It will in addition be essential to coordinate the national regional policies effectively and this will be facilitated particularly by the creation of a Regional Development Committee. These tasks must be carried out in very close collaboration with both sides of industry.

At the end of June 1973, the European Commission will issue proposals concerning the Regional Development Fund and the Regional Development Committee, which are to be set up before 31 December 1973. The Fund will be the main instrument for making Community resources available for regional purposes. It will be directed entirely towards the medium and long-term development of backward and declining regions in order to enable these to work towards autonomous growth. These resources, which must be adequate to enable the Fund to achieve its objectives, must be very generously applied to the most needy regions without there being any "fair return" requirement.

5. The functioning of the Regional Development Fund

Direct subsidies and interest rebates on loans would be the two main forms of financial intervention practised by the Fund. Financial participation is also envisaged in the premium payments designed to create new jobs. The financial aid would be granted primarily to projects covering industry, services and infrastructures with a specific attraction for a region or directly geared to raising productivity.

A Management Committee will help the Commission to administer the Fund. In order to be effective, the procedures involved must be flexible. Limited-scale projects likely to benefit from Community aid could be selected in advance by the Member States in accordance with criteria laid down by the Community and under the latter's overall supervision. Wider-ranging projects would be subject to prior approval by the Commission, which would only be granted after consultation with the Management Committee. In both instances, projects would have to relate to specific regional objectives or regional development programmes. Community funds could be allotted, by progressive stages, not only to given projects but also to overall regional development programmes approved by the Community.

6. Coordination of the Member States' national policies

A Regional Development Committee would be set up. Its task would be to examine and facilitate the coordination of national regional policies and programmes and determine how likely these were to benefit from assistance from the Regional Development Fund. The Committee would be responsible for the following:

- analysing the Member States' regional problems and policies and thus facilitating coordination of the aims and activities in question;
- examining the means available to the Community of increasing the regional bias of its other financial activities in the light of the general objectives of the regional policy;
- analysing the regional development programmes drawn up by the Member States;
- comparing aid systems;
- providing public and private investors with better information on regional development policies and problems;
- studying national decongestion measures in order to produce a coordinated Community policy.

Conclusion

The ideas and proposals put forward by the European Commission in this report are only the beginning of a long political process. They do not claim to tackle all the regional problems nor to find definitive solutions to them. Nevertheless, they bear witness to the Community's genuine determination to take regional imbalances in hand. The Community will therefore have to apply enough financial muscle to this aim to enable it to resolve the problems raised.

FINAL DRAFTING OF A COMMUNITY PATENT CONVENTION

A convention setting up a Community patent system could be signed by the Community Member States in May 1974 and could come into force in 1976, at the same time as the initial convention establishing a European system for the grant of patents. Community experts have just been putting the finishing touches to the draft of this second convention, which provides for a European patent specifically valid in the Community territory.

The first convention, which establishes a European patent grant system, was drawn up jointly by 21 European countries. It is due to be submitted to a diplomatic conference to be held in Munich from 10 September to 6 October 1973. Its aim is to rationalize and simplify patent-granting procedures by relieving national patent offices of some of their work load and offering industrialists the possibility of obtaining an examined European patent with just one application. The convention will be applicable in European countries both in and outside the Community (see IRT No. 152). The European patent will however have the effect of a national patent in the contracting States and, once granted, will in principle be subject to the national laws of each country. To avoid dispersal of the effects of the European patent inside the Common Market, therefore, and to prevent distortions of competition and the creation of barriers to the free movement of goods owing to the territorial limits of national patent rights, it was necessary to conclude a special convention laying down standardized rules for the validity and use of the European patent in the Member States of the Community. This recently finalized draft second convention, concerning the effects of the European patent in the Common Market, provides for the creation of a Community patent which will have the same effect throughout the Community. Assignment or expiry of the patent will be valid throughout Community territory.

National patents will probably persist, but the draft convention lays down certain provisions limiting as much as possible the repercussions of the continuing validity of national patent rights in the common market.

The Community patent system will be governed solely by the provisions of the second convention. One of the consequences of a single Community patent is that the reservations which the contracting States under the first convention may express regarding the duration of the European patent or the question of non-patentable goods (pharmaceuticals and foodstuffs) cannot be formulated by the States party to the second convention (especially important for Italy, whose national legislation makes no provision for the patenting of pharmaceuticals). Another consequence is that an application for a European patent can only designate the Member States of the Community jointly; designation of one or more Member States is equivalent to designation of all of them.

The draft convention also lays down a standardized procedure for disputing the validity of the Community patent. Questions of nullity will be dealt with by the special bodies mentioned in the second convention, namely the Revocation Boards and Divisions, whose decisions may be appealed against before the Court of Justice of the European Communities.

The special bodies needed to implement the second convention will be integrated into the European Patents Office and supervised by the Select Committee of the Board of Directors. This Committee is composed of representatives of the Member States and of the Commission.

Cases of infringement of the Community patent will, however, be brought before the national courts of the contracting States; these courts must apply the provisions of the second convention which define the effects of the Community patent. To ensure uniform application of the

provisions, the Court of Justice may - or in certain cases must - be requested by national courts to give a preliminary ruling on the interpretation of the second convention.

One of the main objectives of the Community convention is to abolish territorial limits for the marketing of patented goods. The draft convention therefore prohibits the division of the Common Market into nine national markets. Products protected by the Community patent may circulate freely in all the member countries wherever they were initially marketed. Provision is also made for the expiry of rights attaching to national patents in order to ensure identical treatment for products protected not by a Community patent but by one or more "parallel" national patents.

In order to make it easier for patent-holders to adapt to the new system, a protocol annexed to the convention provides for the suspension, during a transitional period of five or at most 10 years, of the articles prohibiting the division of the Common Market. This protocol on the deferred application of the provisions relating to the expiry of national patent rights is the only important point on which the Member States and the European Commission disagree: the Commission considers that a transitional period is incompatible with the Rome Treaty provisions on the free movement of goods.

As regards financing, a national financing system has been provisionally adopted for the future European Office. However, the Member States have agreed that, as soon as the convention comes into force, they will begin examining how and when the national financing system could be replaced by another financing system, due regard being paid in particular to the possibility of Community financing.

Only the Member States of the European Communities may be parties to the second convention. A non-member country which is a party to the first

convention and which is linked with the Community by a customs union or free-trade area may, however, be invited by the Council of Ministers to conclude a special agreement with the Member States establishing the conditions and procedures for its participation in the Community convention.

In order to ensure that the European patent is of a unitary nature with respect to all the Community countries, it is provided that the two conventions - the one for the European patent and the one for the Community patent - will come into force simultaneously. Furthermore, to avoid a confused legal situation, a draft declaration provides that the Patent Cooperation Treaty (see IRT No. 105) signed in Washington by 45 States in 1970, which is aimed at facilitating the registration of multinational patents, will come into force on the same date for the nine Community States, and that this date will not be prior to the date upon which the two European conventions become applicable.

RECENT PUBLICATIONS

acquired by the Scientific and Technical Library of the Commission of the European Communities which can be consulted on the premises (1 ave de Cortenberg, 1040 Brussels, Office Loi, 1/43) or taken out on loan

MATHEMATICS

- Computer Logic (EU 17246)

Rose, Alan

Wiley, New York, 1971

ELECTRONICS

- The Commercial Guide to Consumer Electronics in the United Kingdom 1968-1978 (EU 17214)

FINANCIAL ANALYSIS GROUP & FINRESEARCH LTD,

United Kingdom, Winnersh, Berks, 1972

TECHNOLOGY

- Untersuchungen über die Anwendung tiefer Temperaturen zur Verlustminderung von Hochspannungs-Schwingkreisen (EU 17168)

PEIER, D.

ZAED, Leopoldshafen, 1972

- Les turbines (EU 17248)

~~HOMBERGERS, André~~

Vander, Louvain, (Paris) 1972

- A Dictionary of Scientific Units (EU 17233 (20))

JERRARD, H.G. & McNEILL, D.B.

Chapman & Hall, London, 1972

- Glossary of Terms Relating to Air-Cushion Vehicles (EU 5109 (4236 : 1967))

BRITISH STANDARDS INSTITUTION, London, 1967

MEDICINE

- Atti del Symposium sulla prevenzione delle dermatosi professionali (EU 17238 (57)) Monte Porzio Catone 25-26 Maggio 1970
ENTE NAZIONALE PREVENZIONE INFORTUNI, Rome, 1971

EDUCATION & TEACHING

- Educational Policy and Planning - France (EU 17053 A)
ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT -
Directorate for Scientific Affairs, Paris, 1972

- Perspectives différentes d'avenir de l'enseignement aux
Etats-Unis et en Europe (EU 16878)
ORGANISATION DE COOPERATION ET DE DEVELOPPEMENT ECONOMIQUES -
Centre pour la recherche et l'innovation dans l'enseignement,
Paris, 1972

- Classification des systèmes d'enseignement des pays membres
de l'OCDE - C : Spain, France, Norway (EU 16586 C)
ORGANISATION DE COOPERATION ET DE DEVELOPPEMENT ECONOMIQUES -
Direction des Affaires Scientifiques, Paris, 1972

- Classification des systèmes d'enseignement des pays membres
de l'OCDE - D : United Kingdom (EU 16586 D)
ORGANISATION DE COOPERATION ET DE DEVELOPPEMENT ECONOMIQUES -
Direction des Affaires Scientifiques, Paris, 1972